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IZ, SY
SUBJECT: SCENESETTER FOR CODELS CARDIN, BERMAN, AND KERRY
VISITS TO DAMASCUS

Classified By: CDA Maura Connelly for reasons 1.5 (b) and (d).

11. (C) Summary: Chairman Cardin, Chairman Berman, and Chairman Kerry, Embassy Damascus is looking forward to your mid-February visits. You should expect an enthusiastic reception by government officials of the Syrian Arab Republic (SARG) and from the media, who will interpret your presence as a signal that the USG is ready for enhanced U.S.-Syrian relations. Your visits over the course of February 17 - 22 form a trifecta that Syrians will spin as evidence of the new Administration's recognition of Syria's regional importance. The Syrians will look for your assessments on the possibility of reversing U.S. sanctions policy, and they will gauge your views on the probability of returning a U.S. ambassador to Damascus. The SARG may also seek your views on a U.S. role in the Golan track with Israel. While we hope the SARG might reveal a tangible side to their positions, our recent experience (and that of the French) has shown that the Syrian government's positive rhetoric yields little result over time. Already, the SARG has begun to link potential movement on issues of operational importance to the Embassy -- like identifying a plot of land for a new Embassy compound -- to major bilateral issues, including their fervent desire to see U.S. economic sanctions lifted. On Syria's relationship with Hizballah, Hamas, and Iran, we expect President Asad to defend the necessity of ties to these actors because of Israel's continuing occupation of Arab land. We view your visits as an opportunity to educate senior Syrian leaders on Washington priorities in the region and how Congress views Syria in the context of the United States Government's new policy of engagement. (They are not always clear on the difference between Congress and the Administration.) End summary.

What Syrians Want

12. (C) We anticipate that the Syrian public, to the extent that they focus on these things, will greet your visits with enthusiasm. Indeed, many will interpret your engagement as a tacit admission that USG isolation of Syria has not worked, and the SARG will seek to reinforce this perception. We expect the regime-controlled media to spin your visits as evidence of a clear break with past USG policies and vindication of Asad's defiance of the previous administration. Led by Syrian Ambassador to the U.S. Moustapha, the SARG has been inviting members of Congress to

visit Syria. In fact, your visits represent something of a personal coup for Moustapha, who is, from time to time, rumored to be on the outs with the Syrian leadership and in jeopardy of losing his job.

13. (C) The SARG endeavors to leverage contacts with Congress to jump-start Syrian-U.S. relations. Given your respective positions as Chairman of the Commission on Security and Cooperation in Europe, Chairman of the House Committee on Foreign Relations, and Chairman of the Senate Foreign Relations Committee, you can expect intense interest from Syria's state-controlled media about Congressional readiness to re-visit the terms of the Syria Accountability Act (SAA). Additionally, the SARG will want to gauge your views on the possibility of the USG sending an Ambassador to Damascus. (As you may already know, the Syrian media is rife with speculation that an appointment is imminent.) Prior to the Gaza incursion, the Syrians had been vocal in their call for Americans to engage on the Golan track with the Israelis, and they may attempt to use your visit to send further signals to the Administration to this end.

U.S. Sanctions and Syria's Economic Woes

14. (C) While the SARG's public line has been that USG sanctions are easily circumvented and have no real effect on the Syrian economy, individual interlocutors readily refute this claim. The truth is that the Syrian economy does suffer as Syrian businesses and the SARG itself are unable to obtain

DAMASCUS 00000132 002 OF 005

critical software upgrades, spare parts for aviation and industrial machinery, and other durable and consumable products. What's more, USG sanctions deter foreign investments, tarnish the prestige of the regime, and on this point the SARG remains vulnerable.

15. (C) Additionally, the effects of the global economic downturn on Syria's economy are building. The SARG recently announced a series of measures to bolster the Syrian industrial sector, which has been hard hit by the declining purchasing power of Syrian consumers, slowing demand for Syrian exports, and by an influx of inexpensive, Chinese goods trans-shipped through Gulf states under the GAFTA. A number of high-profile bankruptcies, particularly in the textile industry, have left the Syrian commercial sector on edge. Though difficult to quantify, rumors abound that Gulf-state investors are putting large construction and development projects throughout Syria on hold. The Office of the Prime Minister has commissioned a group of Syrians, including well-known economist Samir Seifan, to analyze the effect of a prospective mass-repatriation of Syrian workers from abroad, including both white collar workers and laborers, on the Syrian economy and social stability.

16. (C) Last week, Syria's Deputy Prime Minister responsible for economic development, Abdallah al-Dardari, admitted that the sharp decrease in Syria's 2007 oil export revenues (the SARG figures put it at 8.7 percent) exceeded government projections. Inflation is rampant in Syria; even upper-middle class Syrians are having trouble putting food on the table and paying rising utility and fuel bills. The true rate of inflation, which we estimate at over 30 percent in 2007, is never acknowledged by the Syrian government. According to Dardari himself, however, the average Syrian is now spending 42 percent of his income on food. Syrians are feeling the pinch, and this puts pressure on the SARG to address the issue of U.S. economic engagement.

Spinning the Sanctions

17. (C) You will find Syrians somewhat uninformed in their

understanding of U.S. sanctions policy. There is little comprehension, even among educated Syrians and European observers in Damascus, of the broad spectrum of measures that are currently in place. A case in point is the recent issuance of export licenses that will allow Boeing to overhaul the airframes of Syrian Air's two aging 747s. While issuance of these licenses for safety of flight reasons followed an established procedure and had been in the works for some time, Syrian state-run media (and some international stories) have effectively portrayed license issuance as both an early overture by the Obama administration and proof that the USG can arbitrarily change the terms of our economic sanctions policy. (Comment: Because the Boeing licenses were the first Safety-of-Flight exemptions granted in several years, we are hoping to see positive gestures from the SARG to show its readiness to establish better relations.)

¶8. (C) The difference between acts of Congress, executive orders against individual entities, and Department of Commerce export control functions will be, for the most part, lost on most Syrians and on some of your interlocutors. Even among SARG representatives with a more sophisticated understanding of our multi-pronged sanctions policy, you will encounter a firm belief that the SAA can be quickly "reversed". Ambassador Moustapha has not helped his government to understand the political process in Washington. Your visits present an excellent opportunity to educate President Asad and the Syrian leadership on USG concerns, and on how the Washington decision-making process works.

Engaging Syria

¶9. (C) The SARG are adept at renegotiating any terms of engagement. The recent French experience in Damascus is instructive. President Asad has yet to honor his personal

DAMASCUS 00000132 003 OF 005

commitment to Sarkozy to dispatch an Ambassador to Lebanon before the end of 2008. At the same time, they have greatly benefited from their initial engagement with the French: The Syrians have achieved some forward movement on the EU Association Agreement, and are enjoying the optics of EU officials lining up to visit Asad and his advisors.

¶10. (C) To take another example of how the Syrian government negotiates, in December meetings with visiting U.S. delegations, President Asad suggested that he was considering authorizing the re-opening of the American School and the construction of a new Embassy compound. In a subsequent meeting with a visiting U.S. delegation in late January, President Asad and FM Muallim suggested that the re-opening of the American School should be linked to a repeal of the Syria Accountability Act. Clearly, for us, the bar is already rising.

Iran, Hizballah, and Hamas

¶11. (C) Syria's central geographic location and its potential as a spoiler in the region continue to threaten Israel's security and Lebanon's fledgling democracy. Through dangerous liaisons with Iran, Hizballah, and Hamas/PIJ/PFLP-GC, Syria compensates for its relative political-economic-military weakness by supporting surrogate militias that it plays as cards to block U.S. regional initiatives. President Asad has grown fond of saying "Better relations with Washington cannot mean bad relations with Tehran", and appears smugly confident that his regime's strategy -- maintaining ties to Iran, Hizballah, and Hamas while attracting European engagement with low-cost gestures toward Israel and Lebanon -- has worked to erode Syria's isolation and bolster the regime's prestige and credibility.

¶12. (C) Syria would like to be viewed by Western governments as a regional power broker, and to this end it increasingly acts as a conduit for Iranian influence in the region. In recent meetings with CODELs and other visiting Americans, Asad defended Syria's ties to Iran, Hizballah, and Hamas as necessary responses to Israel's continuing occupation of Arab land. Syria and Israel were "words away" from moving to direct negotiation before Gaza, and Syria remains interested in returning to peace talks with Israel once an Israeli government is formed, he asserted. You can press him to recognize the strategic opportunities that lie before him. U.S. engagement with Syria can bring greater economic prosperity to the Syrian people, a chance to heal Syria's rifts with Arab countries, and an opportunity to regain the Golan. But achieving these objectives will require Syria to demonstrate that it is willing to be a credible partner in peace and can deliver changes to its policies that currently are undermining peace and stability in the region.

Lebanon

¶13. (C) We are carefully watching Syrian actions in relation to both the upcoming Lebanese elections, and to the upcoming tribunal on the Hariri assassination. As we noted earlier, Syria has yet to fulfill its commitment to Sarkozy to send an Ambassador to Lebanon by the end of 2008. Lebanese observers are carefully watching the pace and level of USG contacts with the SARG, and there is some concern on their part that Syria will use a re-engagement with the U.S. to undermine U.S. support for Lebanon's sovereignty.

Gaza

¶14. (C) During the Gaza conflict and current recent efforts to consolidate the fragile unilateral cease-fires, Asad has used his regime's relationship with Hamas to promote Syria as the leading voice of Palestinian resistance, often at the expense of more moderate Arab regimes in Egypt and Jordan. The Syrian leadership defends its relationship with Hamas by

DAMASCUS 00000132 004 OF 005

pointing to the group's 2005 electoral victory and its popularity among Palestinians. Yet, even prior to the most recent Israeli incursion, Syria helped Hamas undermine the Palestinian Authority's legitimacy by providing Hamas Politburo leader Khaled Mesha'al a platform to denounce the PA's negotiations with Israel. In a meeting with CODEL Smith, Asad acknowledged the contradiction between Syria's secular society and the long-term, theocratic ambitions of Hamas. He maintained, however, that such disagreements should not prevent dealing with them. In truth, Syria's relative weakness had made the SARG dependent on these groups. Our objective is to press Syria to use its influence to promote reconciliation and stability rather than confrontation.

Iraq

¶15. (S/NF) Syria has maintained relations with former Iraqi regime elements and sought to deepen ties to Jaysh al-Mahdi leader Muqtada Sadr and Supreme Islamic Iraqi Council chief, Abdul al-Hakim. At the same time, Damascus has signaled to PM Maliki's government a desire to improve ties. Nonetheless, Syria remains an outspoken critic of the recently ratified SOFA/SFA, calling the accords "instruments to legitimize the illegal U.S. occupation of Iraq." Syria denies any collusion with foreign fighters transiting its territory en route to Iraq, even as senior security officials confide to UK and French counterparts that some foreign fighter facilitators mysteriously were released after being

arrested. Syrian officials dismiss our continuing concerns about foreign fighters, noting (as FM Muallim told CODEL Specter in December) "this is an old story". Syria detained some 1,200 Al-Qaeda jihadis and is exercising greater scrutiny of Arab males seeking entry into the country. But Syria may be doing too little, too late, only to realize that these extremists regard the country as more than a point of transit. We have seen recent signs the SARG is worried about the extremist threat, and this may be an area to explore for future cooperation.

Refugees

¶16. (C) Recent cooperation with the SARG on Iraqi refugee programs has expanded. In FY08, we were able to hit our targets and resettle over 5,000 Iraqi refugees from Syria to the United States. The SARG's continued issuance of visas for visiting DHS interview teams and its cooperation on allowing additional DHS team members into Syria mean we are likely to reach our goal of resettling nearly 12,000 Iraqis from Syria in FY09. Furthermore, for the first time in Syrian history, the SARG consented to the presence of international NGOs (including three U.S. NGOs) serving the Iraqi refugee population. In just over a year, nearly a dozen NGOs have been able to establish a presence here and continue to provide much-needed support to the beleaguered Iraqi refugee community.

Nuclear Aspirations

¶17. (C) Concerns linger over Syria's presumed intent to establish a covert nuclear weapons program. Syria allowed an IAEA inspection team to examine the al-Kibar site in June ¶2008. The SARG adamantly claims that soil samples that yielded traces of enriched uranium were the result of Israeli bombs containing depleted uranium. IAEA has sought follow-up visits to Damascus, to no end. In the meantime, the Syrians have waged a somewhat successful campaign within the IAEA for preliminary assistance in establishing a civil nuclear program, securing a Board of Governor's (BOG) decision to move forward with technical cooperation. The Syrians read the BOG decision as a sign that they can continue to evade IAEA requests for further inspections. We seek to convince them that cooperation with IAEA offers a preferable choice

DAMASCUS 00000132 005 OF 005

than following the Iranian model of denial.

Human Rights

¶18. (C) Syria's human rights record remains abysmal. Syrian courts sentenced 12 leaders of the Damascus Declaration National Council to two and a half-year terms in October ¶2008. While granting an early release to economist and political reform advocate Aref Dalila, who was sentenced in 2001, Syrian courts rejected a petition on December 15 -- just one day after the EU Association Agreement's initialing ceremony -- to grant early release to prominent Syrian journalist Michel Kilo. Of equal concern is the case of Kamal Labwani, who was sentenced to 12 years in prison after returning from a 2005 trip abroad that included meetings with White House officials. Syria's security services launched a widespread crackdown earlier this year and rounded up hundreds of would-be activists, many of whom were Kurds. Meanwhile, severe overcrowding, mistreatment of prisoners and perceived regime persecution of Syrian Islamists led to at least two uprisings at the maximum-security Seidnaya prison in 2008, one with prisoner fatalities estimated as high as ¶50.

Conclusion

¶19. (C) In summary, your CODELs will be the second, third, and fourth of four Congressional delegations to visit Damascus over a three-week period. Syrian officials and opinion-makers are eager to hear your thoughts on the new administration's foreign policy approach and whether Syria can expect any near-term deliverables. President Asad and Foreign Minister Muallim will be ready to parry U.S. concern about Syria's relationship with bad actors with well-rehearsed talking points. Embassy Damascus looks forward to your visits.
CONNELLY